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SOCIAL PARTNER CONSULTATION PRIOR TO THE 3RD ASEM LABOUR AND EMPLOYMENT MINISTERIAL CONFERENCE, LEIDEN, 12 DECEMBER 2010

On 4-5 October 2010, the 8th ASEM Summit of Heads of States and Governments took place in Brussels. ASEM leaders reached a number of conclusions on several issues, including on social cohesion.

European companies first and foremost value the dialogue between Europe and Asia in order to foster open trade between the two regions. It is essential to foster growth and jobs in Europe and in Asia.

In addition, the Asia-Europe Business Forum highlighted recently that a more integrated market for financial services would further enhance the competitiveness and dynamism of the two regions on the condition that the associated risks of financial integration are anticipated and well-managed.

As regards social cohesion, the ASEM leaders instructed ASEM Labour and Employment Ministers to further develop and implement common strategies on relevant issues in close cooperation with social partners in the two regions.

The main purpose of the Leiden Ministerial Conference will be to assess the progress made in ongoing cooperation on specific issues - Corporate Social Responsibility, Social Protection and Skills - and to agree on orientations for the future of the ASEM cooperation on social issues.

European employers welcome the attention given by ASEM leaders to employment. Europeans and Asians have a lot to learn from each other with a view to developing effective policies that are suited to their respective contexts and that support the relationship between both continents.

Relevant issues for ASEM cooperation on employment and social affairs

Europe and Asia face a number of similar structural challenges such as globalisation, ageing populations, the transition to a low-carbon economy, and access to skills. A regular exchange of experiences can be useful to understand how these challenges are addressed in the two continents and different national contexts.

During the last ASEM social partners' forum held last spring, an interesting discussion took place on the employment impact of the crisis. More recently in October, ASEM leaders emphasised the role played by social safety nets as economic stabilisers. In this respect, European employers believe that short-time working arrangements can be considered as a European good practice. Thanks to the constructive attitude of employers, workers and governments at national level, they have allowed saving jobs while ensuring that companies have the workers they need for the economic upswing.



Yet, as the economy recovers, the priority is now to put in place labour market policies contributing to the creation of growth and jobs.

Asian countries have been able to maintain high economic growth despite the crisis. By contrast, European countries are facing a structural decline of their growth potential. The economic crisis has exacerbated pre-existing challenges on European labour markets. With too rigid labour markets and a shrinking working age population in a majority of European countries, there will be no automatic return to growth. This will be even more so if Europe does not find ways to address its innovation deficit.

European countries must gear their employment policies towards the creation of more growth and jobs if they want to sustain their social systems in the long run. European social partners are aware of this. In their June 2010 joint statement on the Europe 2020 strategy, they agreed on the need to double Europe's growth potential. Part of the solution they proposed is to promote the knowledge triangle of education, research and innovation at European level.

European employers call for an ASEM debate on structural labour market policies to assess the effectiveness of European and Asian policies with regard to job creation. Policies supporting micro, small and medium sized enterprises can be an interesting area to investigate as part of this debate. In particular, an exchange of practices on micro-credit could be useful following the European Union's recent decision to put in place a European Microfinance Facility. In addition, Europeans and Asians have a common interest to step up research and development cooperation between ASEM countries with a view to promoting innovation in both continents.

In the ongoing race for talents worldwide, European employers prioritise action to ensure access to skills. This requires aligning education and training systems with the evolving needs of labour markets. In addition, economic migrations between Europe and Asia can help respond to skills shortages in the two continents. Further cooperation in the area of skills/migration could be envisaged in the context of ASEM, taking into account the outcomes of the meeting organised by Indonesia on the issue of competences in November 2009.

With regard to other ongoing activities, European employers take note of the outcomes of the Postdam conference on Corporate Social Responsibility (CSR) held in March 2009 and of the Nice conference on social protection held in September 2010. However, a sense of realism should prevail as regards the objectives of these initiatives.

Exchanging practices on voluntary company CSR initiatives can be interesting in the context of ASEM. With companies operating on a global scale, including through complex networks of supply chains, CSR should be viewed in an international context. However, this should not lead to a discussion on the merits of establishing international and/or national instruments on CSR, which takes place at other levels. The implementation of the UN framework on human rights, "*Protect, Respect and Remedy*", developed by the Special Representative of the UN Secretary General for Business and Human Rights Professor John Ruggie, will be important in this respect.



On social protection, an exchange of experiences between Europe and Asia can help ASEM partner countries to find concrete solutions to improve the coverage of their social protection systems, while ensuring their financial sustainability. In order to bring positive outcomes, ASEM cooperation on social protection would better be restricted to one issue such as for example the establishment or adaptation of pensions systems in Europe and in Asia in a shared context of demographic ageing. ASEM activities in this area could also feed into the preparations for the ILO discussion on a social protection floor at the next International Labour Conference in June 2011.

Finally, Europe and Asia share the same interest in creating an environment conducive to doing business while ensuring that the rights of workers - including those set in ILO conventions - are respected. European employers are committed to provide decent work opportunities to their workers in Europe and in Asia. Nevertheless, because decent work is a complex concept which can be interpreted in different ways by different people, European employers do not see the need to address the issue of decent work in the ASEM context. Rather, compliance with the decent work agenda should be left to competent bodies in the ILO and at national level.

Future of ASEM social partners' forum

ASEM social partners have responded positively to the invitation they received from ASEM governments to establish a social partners' forum. The Forum has met two times in 2008 and 2010. These meetings have demonstrated the added value of a regular dialogue between ASEM social partners.

The objectives of this forum need to be clear to all parties. Its role is to provide a platform to exchange practices between social partners in the two continents. In this respect, European employers are convinced that Europe and Asia have different strengths and weaknesses from which to learn.

By contrast, the forum cannot be seen as a means to foster a bipartite supranational social dialogue in the ASEM region. Social and labour rights are better defined at national level as they depend on the economic situation of a country, and on different social systems and traditions including regarding the existence and role of social partners. Therefore, social dialogue can only occur at relevant levels of policy-making on social issues i.e. company, sectoral, national and/or regional level where relevant.

To conclude, European employers are willing to continue their participation in the ASEM social partners' forum in its current format. ASEM social partners are the ones responsible for agreeing on the schedule and agenda of meetings autonomously. Finally, in view of capacity constraints, a clear focus and prioritisation of the various activities that are organised in the ASEM context would be in the benefit of all.
